

Title 10--DEPARTMENT OF NATURAL RESOURCES
Division 80--Solid Waste Management
Chapter 9--Solid Waste Management Fund

PROPOSED AMENDMENT

10 CSR 80-9.030 [Waste] Scrap Tire Grants. The department is amending the rule title, sections (1) – (5) and (7).

PURPOSE: The rule provides a statewide plan for the use of moneys received under sections 260.273 and 260.274, RSMo. The department is amending portions of the rule to reflect revised statutory language in Senate Bill 225 to replace references to "waste tire" with the term "scrap tire". This amendment will also allow for up to a 50% grant match, correct typographical errors, grammatical errors, and update materials referenced in the rule.

(1) Statewide Plan.

(A) General. In combination with 10 CSR 80-9.035 [Waste] **Scrap** Tire Cleanup Contracts, this is a statewide plan to implement subsection 260.273.6, RSMo.

(B) Goals. The goals of the statewide plan are to reduce the number of [waste] **scrap** tires produced and encourage sustainable [waste] **scrap** tire markets for reuse, remanufacturing and reprocessing of [waste] **scrap** tires; divert the stream of [waste] **scrap** tires from being landfilled or illegally dumped; and mitigate the adverse public health, [welfare] **welfare** and environmental impacts of illegal [waste] **scrap** tire sites.

(2) Grant Types. The department may provide grants from moneys collected under section 260.273, RSMo not to exceed five percent (5%) of the moneys received under section 260.273, RSMo, for the following grant types subject to financial resources, appropriations, eligibility requirements and application priorities:

(A) Demonstration grants may be available to pay testing costs required to demonstrate the technical and economic feasibility of utilizing [waste] **scrap** tire materials in the manufacture of a product or as tire-derived fuel or a fuel supplement. Grants may also be available for end use as shock absorbing [waste] **scrap** tire playground or running track material;

1. Grant amount. The department will award grants in an amount determined by the department on an annual basis.

2. Matching share. The grantee's matching share of the total cost of the activity shall be [at least] **up to** fifty percent (50%) of the grant award and shall be a cash contribution toward the project. A match will not be required for grants utilizing shock absorbing [waste] **scrap** tire playground or running track material; and

(B) Capital expenditure grants may be available for equipment to convert/modify existing facilities for the purpose of using [waste] **scrap** tires as a fuel or fuel supplement; or for equipment to convert or modify existing facilities to manufacture products made from [waste] **scrap** tires.

1. Grant amount. The department will award grants in an amount determined by the department on an annual basis.

2. Matching share. The grantee's matching share of the total cost of the activity shall be [at least] **up to** fifty percent (50%) of the grant award and shall be a cash contribution toward the project.

(3) Eligibility.

(A) This rule applies to any person located in Missouri involved in any activity funded under subsections (2)(A) and (2)(B) of this rule.

(B) Applications for activities that, in the department's professional judgment, would cause a public nuisance or environmental, safety or health hazards, will be disqualified.

(C) Grants will only be awarded for an activity that uses at least forty percent (40%) of its tires from Missouri [*waste*] **scrap** tire sites, retailers, processors or residents. The burden of proof shall be on the applicant to show that the eligibility requirements have been met.

(D) Grants will not be awarded to activities for projects that result in the landfilling of [*waste*] **scrap** tires.

(4) Application Requirements for Grants.

(A) An applicant shall submit a completed application on forms provided by the department. The application must include all [*re-quired*] **required** documentation to be complete.

(B) Applications must be received by the deadline established by the department to be eligible for funding.

(C) Applicants shall prove to the department's satisfaction that the use being proposed is an eligible use as described in section (3) and (4) of this rule.

(5) Application Review and Evaluation. Applications will be reviewed for completeness and ranked according to the evaluation criteria established by the department with the advice of the [*Waste Tire Advisory Council*] **Scrap Tire Advisory Group** established by the director under section 260.274, RSMo and in light of the goals as set forth in subsection (1)(B) of this rule.

(6) Grant Awards.

(A) Prior to award of funding, the recipient shall--

1. Provide verification to the department that all applicable federal, state and local permits, approvals, licenses or waivers required by law to implement the activity have been obtained or applied for; and

2. Enter into a grant award agreement issued by the department.

(B) Funds awarded by the department must be disbursed in accordance with the department's general terms and conditions, special terms and conditions (if applicable), grant award and contracts.

(7) Costs and Recordkeeping.

(A) Eligible costs for demonstration grants are--

1. Air emissions test costs;

2. Salaries and fringe benefit costs of personnel directly engaged in the activity;

3. Drafting, printing and distributing of final reports;

4. Supplies needed and used during the project;

5. Eligibility costs for utilization of playground or running track material are limited to the material itself and any associated delivery costs; and

6. Consultant costs.

(B) Eligible costs for capital expenditure grants are the cost of equipment to convert or modify existing facilities for the purpose of using [waste] **scrap** tires as a fuel supplement or the cost of equipment to convert or modify existing facilities to manufacture products made from [waste] **scrap** tires.

(C) Ineligible Costs. Demonstration and capital expenditure grants shall not include the following costs:

1. Costs for which payment has been or will be received under another federal, state or local financial assistance program;
2. Project costs incurred prior to or after the grant period;
3. Fines and penalties due to violations or failure to comply with federal, state or local laws or regulations;
4. Ordinary operating expenses of local, county and elected government, such as salaries and expenses that are not directly related to the activity;
5. Acquisition or leasing of real property; and
6. Taxes, vehicle registration, legal and contingency costs.

(D) Grant Payment.

1. Initial payment. After the grant has been approved by the department, reimbursement payments will be made on a quarterly basis, for up to seventy-five percent (75%) of the total amount of the award upon submission of complete payment requests and corresponding quarterly reports.

2. Final payment. The final twenty-five percent (25%) of the grant shall be paid to the recipient only upon approval of the final report and the final accounting of the activity's expenditures. The recipient shall submit the final payment request within sixty (60) days after project completion or at the end of the grant period. The department cannot guarantee funding of an approved activity after the close of the fiscal year in which the activity was approved.

(E) Grant Interim and Final Reports. The reporting requirements shall be provided in the department's approved written grant agreement.

(F) Accountability.

1. The recipient shall maintain an accounting system that accurately reflects all fiscal transactions, incorporates appropriate controls and safeguards, and provides a clear reference, particularly to source or original documents.

2. Financial schedules and statements filed with grant applications and payment requests shall be based on records that meet the following minimum requirements:

A. Grant accounts shall separate receipts and eligible expenditures from those allocable to other programs and activities;

B. Receipts and expenditures shall be listed in sufficient detail to provide a basis for accurate and complete program reporting;

C. All activity receipts shall be identified in sufficient detail to reflect their source and purpose;

D. Supporting records for all activity expenditures shall be itemized in detail to indicate the nature and appropriateness of each. As proof of payment, cancelled checks or receipts from vendors shall be maintained;

E. All contractual services shall be verified by a formal written contract or agreement, specifying financial terms, contract duration and services to be rendered;

F. The recipient shall retain all records relating to the grant activity and make them available to the department for inspection from the date of submission until three (3) years after the grant period ends;

G. If any litigation, claim, negotiation, audit or other action involving the records relating to the grant activity has been started before the expiration of the three (3)-year period, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the initial three (3)-year period, whichever is later;

H. All general and special terms and conditions of the department applicable to the activity will be applicable to recipients of awards made available by this chapter; and

I. Persons eligible to receive grants through this rule shall comply with the department's reporting requirements, grant award agreements and contracts, general and special terms and conditions, as well as any applicable federal, state and local permits, approvals, licenses or waivers necessary to implement the activity.

AUTHORITY: sections 260.225, 260.273, 260.274 and 260.276, RSMo Supp. 1996.*
Emergency rule filed Oct. 5, 1992, effective Nov. 4, 1992, expired March 3, 1993. Original rule filed Oct. 5, 1992, effective June 7, 1993. Amended. Filed April 16, 1997, effective Dec. 30, 1997.

*Original authority: 260.225, RSMo 1972, amended 1975, 1986, 1990, 1993, 1995 and 260.273, 260.274 and 260.276, RSMo 1990, amended 1995.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.